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C O N F I D E N T I A L KUWAIT 005415

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SUBJECT: KUWAIT ACTING OIL MINISTER ON PROJECT KUWAIT,
QATARI GAS

REF: A. KUWAIT 5019

[1](#)B. KUWAIT 5296 AND PREVIOUS

Classified By: Ambassador Richard H. Jones for reasons 1.5 (B) and (D)

1.(C) Acting Minister of Oil Sheikh Ahmed Fahed Al-Sabah told the Ambassador on December 14 that he and the government remain committed to Project Kuwait (refTel A), and said that he intends to secure parliamentary approval for the project before the current session of Parliament ends, during his term as Minister. When Ambassador noted that U.S. and other international oil companies are losing patience, the Minister said it was his intention to work simultaneously with oil companies and the National Assembly to polish the draft agreements while securing passage of authorizing legislation.

[1](#)2. (C) The Ambassador also asked about the status of the agreement with Qatar for natural gas supplies, and specifically the pipeline to transit Saudi and Bahraini waters. The Minister suggested that nothing was happening at the moment, and when the Ambassador asked if there was a role for the US to play, the Minister said the Saudis have said "don't do anything." The Minister inferred that the SAG just wants to let the situation alone for some time to let everyone cool off. He added that it's not just Saudi Arabia; Qatar also has its problems with Bahrain (and Kuwait itself) over Al-Jazeera.

[1](#)3. (C) The Minister said that the indefinitely delayed delivery of Qatari gas should have no significant impact on Kuwait. The Minister noted that Kuwait intends to proceed with the development of the offshore Dorra field, and that this coupled with new wells in Rawdatain should provide sufficient gas for Kuwait's near-term needs. When the Ambassador asked if Iran was being considered as a source of supply, the Minister acknowledged that Kuwait had discussed the matter with the Iranians, but quickly noted that they had discussed many similar projects in the past. The Minister stated flatly Kuwait had no serious intentions of purchasing Iranian gas.

[1](#)4. (C) Comment: The Minister's oft repeated message that Project Kuwait is 'just around the corner' is received again with hope, but not much optimism. We found his statement that he wanted to get it done during his term as Minister interesting in that it seems he does not expect to be Oil Minister in the next cabinet. As for his strategy of double-tracking talks with oil companies and the National Assembly, we've heard this before. We still have not seen an adequate explanation as to why the GOK continues to wait, or a commitment to launch this strategy on a date certain and see it through to the end. End comment.

JONES